

TABOGLU, ATEŞ & DEMIRHAN

Newsletter

NEWS RE PRIVATIZATION

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- The Privatization High Council has approved the sale of 51% stake in Petkim performed via block sale method to Socar-Turkas-Injaz Consortium in return for US\$ 2 billion 50 million. Previously, the Privatization Administration decided to disqualify winning bid submitted by TransCentralAsia, the Kazakh Consortium, and submitted the secondary bid from Socar-Turcas-Injaz Consortium to the Competition Board for approval. The transfer of the shares will be realized upon payment of the purchase price.
- The Privatization High Council has approved the transfer of operation rights of Derince Port, owned by Turkish Railroads to Turkerler Consortium in return for US\$ 195 million 250 thousand.
- Cinven, an international investment fund, has formed a consortium with three leading professionals in Turkish cigarette sector and purchased the tender specification from the Privatization Administration in order to participate in the tender for sale of TEKEL's tobacco products business.

BANKING SECTOR NEWS

- According to the statement given by YKB to the Istanbul Stock Exchange, YKB has decided to acquire the business of Banca di Roma S.P.A. Istanbul Branch together with its assets and liabilities (excluding equity, trade name and licenses and permissions related to its activity and tax, duty, premiums, penalty and all other legal obligations). The transfer of business will be realized in return for TRY 31.02 million determined in accordance with the independent valuation report.
- The Privatization Administration has submitted its strategy plan proposal regarding the privatization of Halkbank and Ziraat Bankasi in year 2008. The privatization of Halkbank is expected to be made through block sale method.

- The Banks Association of Turkey has declared the collective quarterly balance sheets of the publicly held banks. Accordingly, the total value of assets of 13 deposit banks, shares of which are traded on the Istanbul Stock Exchange, have increased by 8% and reached to TRY 389 billion as of the end of September, in comparison with the 2006 figures. Those banks have 5,235 branches with 111,298 employees in total.
- The Chairman of the Banking Regulation and Supervision Agency has stated that the foreign ownership has exceeded 50% in 26 Turkish banks and reached to 39.7% throughout the sector.
- Lehman Brothers has declared that they have commenced to provide investment advices regarding certain Turkish Banks. Accordingly, Lehman Brothers has published investment advices regarding Akbank, Garanti Bankasi and Is Bankasi in the first place. Investment advice regarding Garanti Bankasi and Is Bankasi was declared as 'overweight' and as 'equalweight' for Akbank. Moreover, Lehman Brothers has stated that they do not expect any problem in Turkish banking system which may arise from global loan crisis.

CAPITAL MARKETS HIGHLIGHTS

- In the initial public offering of Tekfen Holding, 34.5% of shares have been offered to public. Among those, 69.5% have been sold to foreign institutional investors, 30% to domestic institutional investors and 0.5% to domestic individual investors. The price per share in the public offering was TRY 5.70 and market value of the company has reached to TRY 1.69 billion.

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Highlights

- a. News re Privatization
- b. Banking Sector News
- c. Capital Markets Highlights
- d. Energy Sector News
- e. Other News

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- Enka Insaat, Coca-Cola Beverage and Migros Turk have announced their financial statements as of the end of September 2007. Accordingly, the net profit of Enka Insaat for the first nine months of 2007 has increased to TRY 522.1 million, and the net profit of Coca-Cola Beverage has been realized as TRY 102 million, with a decrease ratio of 2.9% compared to the same period of the previous year, and the net profit of Migros Turk has increased to TRY 141 million 176 thousand from TRY 59 million 159 thousand, which is the amount of the net profit gained in the same period of the last year.

ENERGY SECTOR NEWS

- The Mersin Chamber of Electrical Engineers has announced that investors from Mersin applied to the Energy Market Regulatory Authority for the licensing of wind backed energy generation facilities with a total capacity of 7,600 megawatt.
- TUPRAS has applied to the Energy Market Regulatory Authority on 1 November 2007 to build a wind backed power plant which will produce 8 megawatt wind energy with an investment of US\$ 18 million. Furthermore, as a result of the approved new capacities, the elaboration capacity of crude oil of TUPRAS increased to 28.1 million tonnes per annum from 27.6 million tonnes per annum.
- Bereket Enerji has announced that they will perform a total investment of US\$ 400 million for coal backed power plant with a capacity of 134 megawatt in Cankiri and hydroelectric power plant with a capacity of 300 megawatt in Adana. Bereket Enerji has also applied for licensing of a wind backed energy generation facility with 900 megawatt

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- Turkey and Iran have signed an agreement regarding cooperation in energy sector. Due to the agreement, three thermal power plants will be built. Two plants, each having 2,000 megawatt shall be built in Iran and the other one shall be built in Turkey. Besides, it is planned that hydroelectric power plants shall be built in Iran as well. The electricity distribution lines between Iran and Turkey shall be strengthened by Turkiye Elektrik Iletim A.S.

OTHER NEWS

- The shareholding ratio of TAV Havalimanlari Holding in HAVAS has increased to 100% after the Holding purchased 40% of HAVAS shares held by Park Yatirim Holding in consideration of US\$ 115 million.
- The term of pre-qualification application for Sabah-Atv tender has ended on 19 November 2007. The representatives of the Savings Deposit Insurance Fund have stated that Nurol Group, Turkuaz Consortium led by Calik Group and Marmara Radio Television have obtained prequalification for Sabah-Atv tender. The closing date for the data room is 30 November 2007 and the tender will be performed on 5 December 2007.
- Sabanci Holding and other shareholders in Pilsa have sold their stakes in Pilsa, one of the biggest plastic pipe producers in Turkey, to Dutch Wavin B.V., a Dutch company, in return for US\$ 82 million. Wavin B.V. maintains its operations in 27 European countries.

The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu, Ates & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu, Ates & Demirhan, a full-service law firm based in Istanbul.

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